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DATE 7/26/50
TO: Secretary of State

Department of State

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OFFICE OF CHINESE AFFAIRS
JUL 27 '50
DEPARTMENT OF STATE

Control: 11226
Rec'd: July 26, 1950
9:32 p.m.

Action Assigned to

Action Taken

Date of Action

Action Office Symbol

Name of Officer

Direction to DC/R

NO: 124, July 26, 4 p.m.

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Following summary of more salient points of conversation July 24 with Yang Chao-chia, Commissioner of Civil Affairs, prepared largely from notes made by Vice Consul Osborn, who interpreted. During talk Yang was direct and frank, unhesitatingly answering questions and giving opinions.

1. ECONOMIC. Farmers bearing heavy burden. Unable make profit, first because government price for rice too low, second because forced sell at unfavorable time to pay savings levies, third because ECA fertilizer too dear. Despite this, Formosans remain non-Communist, merely eat less, buy fewer clothes, etc. But they become more and more apathetic and withdraw support from government. Year ago they had withdrawn support but thanks to certain minor reforms in government and now to interposition of Seventh Fleet they have some hope. But they do not dare express hopes because Chinese Government has "big bullets".

2. FORMOSAN HOPES. Experience in February 28 incident taught Yang and other leaders avoid useless violence and bloodshed, that patience under oppression essential, that ultimately justice will be done, and that all efforts must be devoted quietly toward "strengthening voice of people". When Yang learned that confessions of arrested FLR leaders implicated him, he offered resign and stand trial, but K. C. Wu, knowing what public reaction would be, insisted he remain post. Wu won out over opposition of Chen Cheng and Peng Meng-chi, who in their usual blind way wished prosecute all Formosan officials implicated by confessions.

Indirect pressure by US Government, which brought K. C. Wu into office and led to several reforms, most appreciated by Formosans. US should continue indirect pressure. Formosans aware of US Government interest, and seek some way to show gratitude.

3. CHINESE GOVERNMENT POLICE METHODS. Mainland lost because people were alienated by use of force and oppression.

Chinese Government

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Chinese Government goes ahead and ignores human rights. One would think that now Chinese Government has been reduced to small island it would learn lesson but instead goes blindly ahead on old path. Until Tsi Li Grows, now entrenched in secret police, are removed from all influence power of CC clique cannot be broken. Thus current "reform" of KMT is sham. In any given district there are 12 or 13 different secret police groups, all competing with one another. Some of groups in alliance with criminal gangs, and there are frequently subgroups. There is no hope for Taiwan, as long as military force continues usurp functions of justice. Yang constantly fights for independent civil courts and for civil rather than military trials.

4. K. C. WU. Is really trying push through Democratic reforms. Has given Yang full support, and every time has been faced with choice of more support to Formosans or giving in to military pressure Wu has chosen back up Formosans. Wu gave Yang full control of elections and has insisted successfully that Yang not be interfered with. Yang obviously thinks highly of Wu's efforts and believes he is sincere in motives.

5. ELECTIONS. In Kmualien and Taitung, on East coast, 73 percent and 95 percent respectively of electors voted without coercion, without single incident and with enthusiasm. Most of those elected were independents, rest KMT. One KMT member, defeated in Hurlien, is trying to get successful woman candidate removed, but unless High Authority willing flagrantly to break own rules, he has no hope.

In West coast area elections will not go so well because there are more intelligentsia and thus more factions. Even though the elections will be fair there will be troubles.

After hsien and municipal councils are elected, villages will elect own assemblies and cities will elect mayor. Probably simultaneously new provincial people's council will be elected indirectly by hsien councils. Yang believes these various representative bodies will be able stand own feet and modify mainlander methods of dealing with Formosans.

6. ECA AND JCRR. US aid should be based on principle of benefitting Formosans, who now constitute China. ECA fertilizer is not helping Formosans as much as it could. Established Formosan industry should take precedence over projects backed by mainlanders.

Dr. Moyer is fine man but his organization has defects,

main one being
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main one being mainland bias. JCRR is little more than organ of Central Government. Bulk of employees mainlanders. Farmers consider agriculture on mainland backward, yet mainlanders used by JCRR to try to improve Formosan agriculture; even janitors and chauffeurs are mainlanders.. There are many qualified Formosans who should replace them and thus improve effectiveness of aid.

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